

CONSUL GENERAL LEE HOLDS SPAIN RESPONSIBLE FOR RUIZ'S DEATH.



JUDGE CALHOUN, MR. FISHBACK, Gen. FITZHUGH LEE, SPANISH SECRETARY SENOR CORGOSTA, JUDGE ROIG.
American Counsel, American Secretary, Spanish Commissioner, Spanish Counsel.

SPANISH-AMERICAN COMMISSION THAT CONDUCTED THE RUIZ INQUIRY.

GREELEY FAILURE MYSTERY SOLVED.

James Woodville Sands's Defalcations for \$65,000 Wrecked the Firm.

He Was Arrested on May 7, Held in \$40,000 Bail, and Is Now Somewhere in Europe.

THE mystery attaching to the Greeley failure last October is solved. The stupendous effort to keep it forever secret has come to naught. It is the most remarkable revelation of official secrecy in New York since the case of Sheriff Plack.

James Woodville Sands, aged, perhaps, fifty, is wandering somewhere in Europe with his wife. Sands was secretary of the E. S. Greeley Company, of which General Greeley was president. That company manufactured, imported and dealt in all articles relating to the use of electricity in the arts, telegraphy, telephony and electric lighting. It was the largest of its kind in the country.

Sands systematically falsified the books, robbed the concern for years and drove it into bankruptcy. He and General Greeley were made receivers. At the instance of the Pittsburgh firm of Jones & Laughlin, an expert was set to examine the books. Upon the report, and by instruction of Judge Lacombe, of the United States District Court, General Greeley brought action against Sands, who on an order signed by Justice Smyth, was arrested and lodged in Ludlow Street Jail May 7. The following day he was bailed in the sum of \$40,000. Through the efforts of his son-in-law, Architect William H. Russell, Sands's stealings were made good. No new receiver was appointed in his place, for fear the truth might thereby become known. Every man, woman and child connected with the case, from United States judges to house servants, office boys and jail attendants, has been hushed up. But here is the story:

Chapter I—The Failure.

The news of the failure of the E. S. Greeley Company, of No. 5 and 7 Dey street, which had a modest place in the newspapers October 8, 1896, amazed business men who read it the country over. The concern had been counted as solid as Gibraltar. Its transactions extended from ocean to ocean. The name of the sterling old man who stood at the head of the corporation was guarantee of unimpeachable integrity and of financial foundations which must needs make the house secure.

It was an old firm, too; under another title it dated back more than forty years. The business was established by L. G. Tillotson & Co., and General Greeley was taken in as a partner in 1865, after his fighting was over. In 1884, upon the death of Mr. Tillotson, he succeeded to the control. The firm style was changed to E. S. Greeley & Co., and in 1887 the business was incorporated under the Connecticut laws, with a capital stock of \$250,000.

When the fabric went down conventional phrases were offered in explanation, and the credit of General Greeley forestalled all possible suspicion of the miserable, systematic scheme of peculation and misrepresentation which underlay its downfall.

"Recent stringency of the money market," so the explanation ran, "and inability to collect outstanding accounts," were the causes for the receivership.

The liabilities were \$160,000, of which \$65,000 was for merchandise and \$70,000 owed on notes. The assets in this city were then said to be \$180,000, consisting of: Accounts receivable, \$125,000; merchandise, \$40,000; contents of factory, \$15,000; cash, \$100. The assets in Connecticut were \$500 in office furniture.

The unfolding of the story of how the concern was looted has shown that the assets were falsified, as all the other showings of the firm's books had been, by the company's secretary, James Woodville Sands, and that they did not amount all told to \$100,000.

For a long time before the actual stroke of ruin came there had been trouble and uneasiness in the Greeley firm. There was a Board of Directors. They all knew that

things were not running as they should. One September day there was a directors' meeting at which the late Board demanded to know where the money had gone. General Greeley, firm in his faith in the honesty of his secretary, Sands, who had been for years his confidant and friend, could not tell them. He took the plausible statements and explanations of Sands as solid truth. The lack of orders, the difficult collections—he believed them all.

There was only one thing to be done. They voted to go into insolvency.

Chapter II—Secrecy.

And here enters into this story of a master fraud the genius of secrecy which has made the conduct of this case, from that moment until now, the most startling drama of star-chamber procedure, at business and at law, which has been for years revealed to the commercial world.

Through all the changing phases of the play there has been, and is, no shadow upon the honor of General Greeley, no hint at his having connived at any device to withhold from any man one dollar that was his due.

But into the far reaching and many handed scheme to hush the scandal which has underlain the case, he seems to have entered with a spirit and persisted energy which tells that back of it all there lies yet another story. What that story is he has declined to say. "I refuse absolutely," he said, when the matter was first broached to him, "to reveal any facts regarding Mr. Sands's arrest, and I shall adhere to that course, for there are reasons why I feel it honor bound to do so."

The Mantle of Secrecy.

From the minute the application for a receivership was decided upon, the mantle of secrecy was drawn over it closer than a glove. Every man of them joined in the task of hushing up the truth and every person through whose hands the legal papers must pass; every person who must perforce have knowledge of the steps since taken in the case, has first been put under the spell of silence. From the judge on the bench, downward, through all the legal

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STONE'S LOVE IS NO CRIME.

Court Reports the Ensign Has Done Nothing Unworthy.

OFFICER AND GENTLEMAN.

Secretary Long Has the Report, With Admiral Bunice's Indorsement.

"Am I going to give up Miss Conde? Well, not on —" Ensign Stone in an interview upon learning of the result of his court-martial.

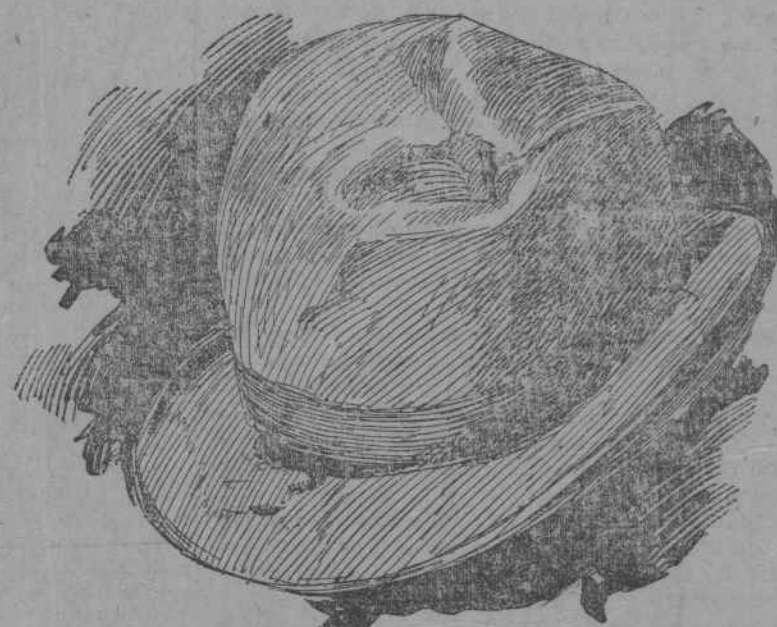
"Not guilty," says the learned and dignified Court of Inquiry. Not guilty of the heinous crime of trying to marry his sweetheart. George Loring Porter Stone, ensign in the United States Navy, attached to the United States monitor Puritan, attached much more deeply to Miss Marie Conde, daughter of Swiss Conde, has done nothing "unworthy of an officer and a gentleman."

The Journal told all about this Court of Inquiry which sat last week on board the Maine in the Brooklyn Navy Yard; told all about it, although John D. Long, Secretary of the Navy, wired orders to Captain Sigbee to "avoid all possible publicity in the matter." Now the Journal can positively state that Secretary Long yesterday received the report of the court before which Swiss Conde accused Ensign Stone and his closest friend, Ensign Osborne, of the Terrible, with obtaining entrance to a home-

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The Journal Gives the Full Text of His Official Report to Secretary Sherman on the Killing of the American.

Dr. Ruiz's Hat, Now Held by Mrs. Ruiz, Indicates That the American Was Struck a Crushing Blow on the Head.



Dr. Ruiz's Hat, Mentioned by Gen. Lee as Important Evidence (Now in the possession of Mrs. Ruiz.)

Commissioner Calhoun Reports That a Strong Annexation Sentiment Prevails Among the Better Class of Spaniards in Cuba,

William J. Calhoun, the special commissioner of President McKinley who, with Consul General Lee, has been investigating the death of Dr. Ricardo Ruiz in Cuba, arrived in New York yesterday morning. Consul General Lee's report on the Ruiz case came with him. The full text of the report follows and, as will be seen, fixes the responsibility of Ruiz's violent death on the Spanish Government:

U. S. CONSULATE GENERAL.

Habana, May 31st, 1897.

To Hon. John Sherman, Secretary of State:

SIR—The right having been reserved to make a separate report to my Government in the Ruiz case, I have the honor to submit the following statement which I request will be filed with the report of the Commissioners:

He was about forty-six years of age, a dentist by profession, married, and resided with his wife and children at the town of Guanabacoa, four miles from Habana; arrested on the 4th of February, 1897, about 9 a. m., at his house in Guanabacoa, charged with being connected with the attack on a railroad train on the night of the 16th of January, 1897, at a point nearly midway between Guanabacoa and Habana, about 2½ miles from the latter city.

The evidence of his most intimate friends and that taken before the Military Judge, as per record submitted with the Commissioners' report, show he was quiet and domestic in his tastes, a peaceful American citizen, engaged in the active pursuit of his profession—that he took no part in the military or political proceedings on this island, or had at any time any communication by writing or otherwise with those engaged in the insurrection, and that at the time of the attack by armed insurrectionists on the train he was in the house of a neighbor and friend, opposite his own, in Guanabacoa, until 10 p. m., and then went to his own abode, where he passed the night—and knew nothing of said attack until next morning, when it was known generally to the public.

He was taken from his home and profession, wife and small children, carried to jail and thrust into a cell marked 4 in the diagram, and whose dimensions are given in the report of the Commissioners, being one of three smallest cells of the jail used for keeping prisoners in solitary confinement. The dimensions of the cell in which Dr. Ruiz was confined is greater than given in my previous reports, which were based upon the statements then received from persons who did not and could not measure it; but the fact remains that he was in a cell alone day and night, with stone walls and stone floor, and with no ventilation for air or light except a rectangular iron barred opening or transom above the door.

The manner of his confinement was a violation of article 520, law of criminal procedure, ruling in Cuba and Puerto Rico, which demands that "Provisional imprisonment shall be made in the manner and form least prejudicial to the person and reputation of the accused."

While the cognizance of his case being confided at first to the jurisdiction of the military authorities was a violation of Section 1 of the protocol between Spain and the United States, signed January 12, 1877, which stipulated that no citizen of the United States residing in Spain, her adjacent islands or her ultramarine possessions charged with any "crime whatsoever" shall be subject to trial by any exceptional tribunal, but exclusively by the ordinary jurisdiction, except in the case of being captured with arms in hand, the testimony shows the jailer knew Dr. Ruiz was an American citizen on the day of his arrest—viz.: 4th February, 1896—and that the Acting Governor and Captain-General of the island was informed of the fact on the next day, but it was ten days after his arrest and three days before his death—viz.: the 14th of February, 1896—that the Acting Governor General directed his case to be referred to the jurisdiction of the Civil Court, and that he died before said court considered it.

The improper judicial proceedings, in the first place, and the length of time consumed in getting the case before the proper authority, during which the solitary prisoner was the occupant of a cell, proved fatal.

The testimony shows Dr. Ruiz was a healthy and unusually strong, able and athletic man. That he had no hereditary, mental or disease of the heart or other body ailments.

He was confined incommunicado, and neither his wife, children nor friends were allowed to communicate with him. He was carried alive to his cell, and at the end of 315 hours was brought out a corpse, having been subjected to "incommunicado" imprisonment in violation of his treaty rights 243 hours over and above the 72-hour limit.

From the time he was placed "incommunicado" until his death, all knowledge of his condition was confined to his jailers, and therefore there can be no other testimony except that of these officials as to the mode of his treatment or manner of his death, and it could not be expected that in case of bad treatment they would testify against themselves or against each other. So such testimony should be received not with "a grain of salt," but with a barrel.

A witness named Rafael Galindo, who holds a Government position, testified that he carried, at Mrs. Ruiz's request, some bed clothes for the use of Dr. Ruiz in his cell on the same day he was arrested, but the testimony of his most intimate friends, viz: Juan Gratecos and Jose Puiggros, does not confirm such testimony; and a letter from Mrs. Ruiz to me, written four days after his death, a copy of which is hereby transmitted, says, "During the thirteen days he remained 'incommunicado' they did not allow me to take to him a cot or even a hammock, but only a hard chair, on the 9th of February, when the jail official finally, after my repeated requests, consented or allowed me to send to my husband the chair I send you herewith, and in which you will see the last impressions of a man in his full mental faculties."

The "impressions" referred to and which I have seen were sentences around the rim of the back, evidently indented with the nails of the fingers and which read:

"Mercedes, Nene, Evangelina, Ricardito—Good-by, my children of my life, I give you my bless-

N.Y. Supreme Court - County of New York
Edwin S. Greeley, as Receiver
of the E. S. Greeley Company Plaintiff
James W. Sands Defendant
Order to Arrest and hold to Bail.

To the Sheriff of the County of New York:—
It having been made to appear to me by the affidavits of *Edwin S. Greeley & Fred W. Child and by James W. Sands* that a sufficient cause of action exists against the defendant *James W. Sands* and that the case is one of those mentioned in Article 1st, Chapter 7, Title 1, of the New York Code of Civil Procedure, and that the ground of arrest is the conversion and fraudulent misapplication of moneys and other property, by said defendant as an officer and agent of a corporation, to wit: The E. S. Greeley Company in the course of his employment, and in a fiduciary capacity, and the plaintiff having given the undertaking required by law.

Now are required forthwith to arrest *James W. Sands* the defendant in this action, if he is found within your county, and to hold him in the sum of *any dollar* dollars and to return this order, with your proceedings thereunder, as prescribed by law.

Dated May 7th 1897
Redfield & Redfield Plaintiff's Attorneys
58 Pine St
N.Y. City

Order of Arrest Signed by Judge Smyth Upon Which Sands Was Thrown Into Jail